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2020 OPPORTUNITY INTERNATIONAL REPORT PROJECTS 66 MILLION NEW SCHOOL SEATS NEEDED TO KEEP KIDS IN SCHOOL FOR THE NEXT FIVE YEARS

Affordable Non-State Schools Will Represent 27% of the Projected Need for Educating School-aged Students in Low- and Middle-Income Countries

CHICAGO – November 11, 2020 – Opportunity International’s Education Finance team released its “State of the Affordable Non-state School Sector” report, which included a sizing analysis to assess the demand for affordable non-state education for families with school-aged children in low- and middle-income countries (LMICs). The report estimates a $36 billion market for education lending products, making a strong case for increased private capital investment into the sector.

“The report highlights the dramatic growth in school-aged children in LMICs, alongside the severe limitations in those countries’ abilities to fund the required growth in school infrastructure on their own,” says Scott Sheridan, Operations Director for Opportunity International EduFinance. “The resulting gap in financing demonstrates a strong case for anyone who would like to materially increase access to education by complementing state education systems with improved non-state schools.”

Non-state schools can play an important role in aiding overburdened state education systems in LMICs. These schools often are the only education option in their community or provide additional seats for students that would otherwise be limited to already over-enrolled local state schools. The report projects that non-state schools will represent 27 percent of the education market by 2025, due to the increasing demand for affordable non-state education options in LMICs. Based on current rates, an additional 66 million new seats in non-state schools will be required in that time.

Accessing funding to expand these schools is a double-edged sword. School fees are often the main or only source of revenue for affordable non-state schools, so they operate on limited financial resources to begin with. If families are unable to pay school fees as they are due, their children are sent home, increasing absenteeism and risking permanent student dropout. Not only does the school suffer, but so do the students. Making financing available to affordable non-state schools will be the primary mechanism for meeting the anticipated demand in the next 5 years.

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“Opportunity aims to meet a critical need facing low-income families in the developing world—quality education for their children,” added Opportunity International Chief Executive Officer Atul Tandon. “We, along with our partners, will continue to equip affordable non-state schools with the financial resources, training, and support they need to offer high-quality education to the children in their communities.”

ABOUT OPPORTUNITY INTERNATIONAL
Opportunity International is a global non-profit committed to ending extreme poverty and promoting quality education for families in need. Since 1971, Opportunity has helped millions of families work their way out of poverty by providing financial resources, training, and delivering ongoing support to start small businesses, earn living wages, and feed their families. The organization provides loans to families seeking tuition and educators who want to improve local schools to get more children into better quality schools. In 2019, Opportunity International and its partners made more than $3 billion in loans, reaching more than 7 million loan clients and 12 million savings clients in 27 countries, and helped fund 6,400 schools that reached nearly 2 million children. Discover more at opportunity.org or join the conversation on Facebook and Twitter.

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